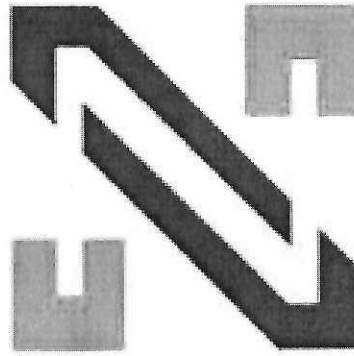




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Witness Center for Citizen Rights  
& Social Development (SHAHID)

Independent Auditor's Report

December 31, 2023



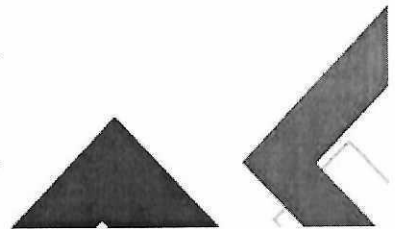
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رام الله-شارع نابلس-دوار أحمد الشقيري  
عمارة سلطة النقد سابقا-ط1





### Independent Auditors' Report

To the Board of Directors of the Witness Center for Citizen Rights & Social Development (SHAHID)

### Opinion

We have audited the financial statements of Witness Center for Citizen Rights & Social Development (SHAHID)(Association), which comprise the statement of financial position as at December 31, 2023, and the statement of activities and change in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Association as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMES).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other-Matter

The financial statements ending on December 31, 2022 were audited by another auditor, and his opinion was that the financial statements appear fairly in all material respects, and the auditor's report was issued on June 1, 2023.

### Responsibility of Management and those Charged with Governance for the Financial Statement

Management is responsible for the preparation of the financial statement in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMES) to the accompanying financial statement. This includes determining that the basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances; and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing Association's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.





# INDEED

## Indeed - Auditing, Accounting & Training

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding among other matters the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

Indeed- Auditing, Accounting, & Training Services

Ahmad Ikhleif

License # 117/2020

May 28, 2024



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رام الله-نشارع نائلس-جوار احمد الشفيري  
-عمارة سلطنة الهند ساهنا-ط7

**Statement of Financial Position**

As at December 31, 2023

		2023	2022
	Notes	USD	USD
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets – in total		28,745	27,945
Subtract from it: Accumulated depreciation	3	(14,544)	(9,856)
Fixed assets – net		14,201	18,089
		<b>14,201</b>	<b>18,089</b>
<b>Current assets</b>			
Cash and cash equivalents	4	21,107	21,785
		21,107	21,785
<b>Total assets</b>		<b>35,308</b>	<b>39,874</b>
<b>Net assets and liabilities</b>			
<b>Net assets</b>			
Net assets		26,961	26,272
<b>Total net assets</b>		<b>26,961</b>	<b>26,272</b>
<b>Current liabilities</b>			
Accounts payable	5	5,317	6,091
Post-dated checks issued		3,030	7,511
		8,347	13,602
<b>Total liabilities</b>		8,347	13,602
<b>Total net assets and liabilities</b>		<b>35,308</b>	<b>39,874</b>


The attached notes from 1 to 18 form part of these statements

**Statement of Activities and Change in Net Assets**

For the year ended December 31, 2023

		2023	2022
	Notes	USD	USD
<b>Revenues</b>			
Project revenues	6	132,110	178,095
Association membership fees		-	495
Hall rental income		288	181
		<b>132,398</b>	<b>178,771</b>
<b>Project expenses</b>			
From the camp-IMS	7	34,226	35,541
Naseej-Oxfam	8	10,742	31,932
Fact-Checking in elections (Qarib) – CFI	9	1,834	23,853
Reporting and fact checking-UNESCO	10	44,374	22,349
Supporting marginalized areas and students- FONSA	11	14,548	15,525
Studio Shahid-PSDF	12	4,298	8,323
Supreme Council for Youth and Sports	13	-	4,015
Youth leading peace – Erasmus+	14	4,120	1,800
Alternative approaches to financial SME-GIZ	15	8,645	-
Promoting a culture of non-violence for youth-Pal Think		-	2,698
Kashif		-	1,120
Central Election Committee		-	1,081
Swiss Norwegian-Press House		-	470
<b>Total project expenses</b>		<b>122,786</b>	<b>148,707</b>
General and administrative expenses	16	4,882	7,414
<b>Total expenses</b>		<b>127,668</b>	<b>156,121</b>
<b>Change in net assets</b>		<b>4,730</b>	<b>22,650</b>
Net assets at the beginning of the year	17	22,231	3,622
<b>Net assets at the end of the fiscal year</b>		<b>26,961</b>	<b>26,272</b>

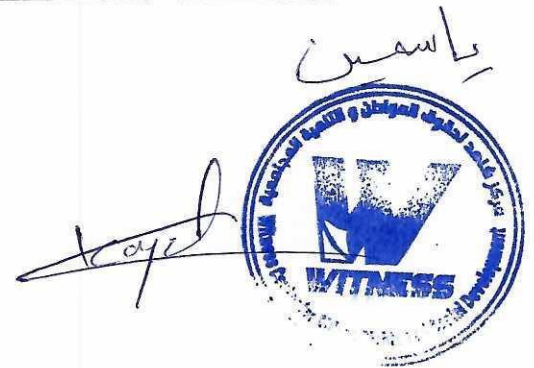
The attached notes from 1 to 18 form part of these statements



**Statement of cash flows**

For the year ended December 31, 2023

	2023	2022
Notes	USD	USD
<b><u>Operating activities</u></b>		
Change in net assets	4,730	22,650
<b><u>Adjustments:</u></b>		
Depreciation expenses	4,688	4,361
Net Asset Adjustments – Beginning of the Year	(4,041)	9,389
	<u>5,377</u>	<u>36,400</u>
<b><u>Changes in working capital:</u></b>		
Accounts receivable	–	6,790
Accounts payable	(774)	(29,654)
Post-dated issued checks	(4,481)	(13,507)
<b>Net cash generated from operating activities</b>	<u>122</u>	<u>29</u>
<b><u>Investment activities</u></b>		
Purchase of fixed assets	(800)	(3,305)
<b>Net cash (used in) investing activities</b>	<u>(800)</u>	<u>(3,305)</u>
<b>Changes in cash and cash equivalents</b>	(678)	(3,276)
Cash and cash equivalents at the beginning of the year	21,785	25,061
<b>Cash and cash equivalents at the end of the year</b>	4 <u>21,107</u>	<u>21,785</u>



The attached notes from 1 to 18 form part of these statements

**Notes to the Statement of Income and Expenditures**

December 31, 2023

**1. The association and its activities**

The Shahid Center for Citizen Rights and Social Development Association (the Association) was established on May 6, 2014 and bears registration number (NA-7325-S), as it was registered by the Ministry of Interior in the State of Palestine.

The Shahid Center Association for Citizen Rights and Social Development was established in Nablus Governorate and took it as its headquarters. The association is also considered a non-profit association, and was established in accordance with the provisions of the Associations and Civil Bodies Law No. (1) of 2000.

The association's main activity is focused on cultural, social, artistic and development work

The association has several goals and objectives for which it was established, which are as follows:

- Enhancing Social awareness and awareness of citizenship concepts and rights, as well as developing cognitive awareness in this field
- Qualifying effective media professionals and media institutions and developing their performance to serve social development.

**2. Financial Statements**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Note (2).

The financial statements have been prepared on the historical cost basis.

The financial statements have been presented in Israeli Shekel (ILS), which is the functional currency of association.

**2.2 Estimates and assumptions**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, financial assets and liabilities and disclosure of contingent liabilities at the reporting date. However, uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the assets or liability affected in future periods.

The key estimates and assumptions involved in the financial statements are as follows:

Useful lives of property and equipment

The management of the association re-estimates the useful lives of property and equipment and amends them, if necessary, at the end of each fiscal year.

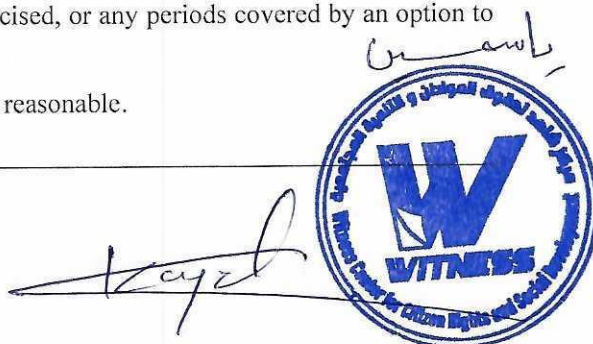
Expense capitalization

Expenses on real estate, machinery, equipment, administrative and general expenses are capitalized based on the best estimates of the association's management on the basis of capitalization.

Determine the lease term for contracts with renewal and termination options

The Association defines the lease term as the term of the non-cancellable lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The management of the association believes that these estimates are reasonable.



## 2.3 Summary of Significant Accounting Policies

### Revenue from temporarily restricted grants

Revenues are recognized when expenses are incurred and when purchasing property and equipment for the association.

### Cash donation revenue

Donations that come in transferred assets, or unconditional pledges to provide assets, or reduce liabilities of the facility are recognized as revenues or gains in the list of activities, when the donation process results in an increase in the assets of the non-profit enterprise, according to the accrual principle.

### Income from in-kind donations

It is recognized at fair value when received.

### Expenses

Expenses are recorded when they occur according to the accrual principle.

### Current versus non-current classification

Association presents its assets and liabilities in the statement of financial position based on current or non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

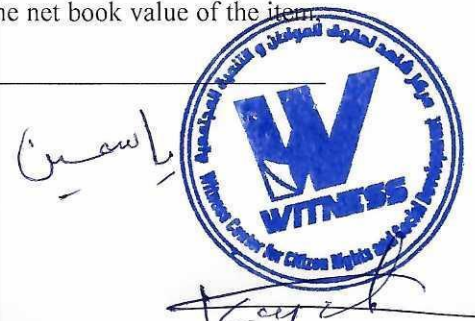
All other liabilities are classified as non-current.

### Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property and equipment includes the cost incurred to replace any component of the property and equipment and financing expenses for long-term construction projects if the recognition criteria are met. All other expenses are recognized in the statement of income and expenses and the change in net assets when realized.

Property and equipment are depreciated using the straight-line method according to the expected useful life.

Any item of property and equipment and any substantial parts thereof shall be written off upon disposal or when no economic benefit is expected from the use or disposal of the item. Any gain or loss resulting from writing off the item, which represents the difference between the proceeds from disposal and the net book value of the item, is recorded in the statement of income and expenses and the change in net assets.





The assets' residual values, useful lives and depreciation methods are reviewed in each financial year and adjusted in subsequent years, if necessary.

#### Income tax

The association is considered a non-profit organization, so the association's income is not subject to income tax.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with maturities of three months or less, after deducting restricted cash withdrawals, if any.

#### Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

#### Provisions

Provisions are recognized if the association has any obligation (legal or expected) resulting from a previous event, provided that the cost of settling the obligation is probable and can be measured reliably.

#### Foreign currency

Transactions in other currencies are converted into shekels according to the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities that are receivable or payable in foreign currencies are converted according to the prevailing exchange rates on the date of the financial statements into the shekel currency, and the gains or losses of the currency differences are shown in the list of activities and changes in net assets.

### 3. Fixed assets

	Electrical appliances and equipment	Computers and related devices	Office furniture and equipment	Total
	USD	USD	USD	USD
<b>Cost:</b>				
As at January 1, 2023	14,799	11,579	1,567	27,945
Additions	-	800	-	800
As at December 31, 2023	14,799	12,379	1,567	28,745
<b>Accumulated depreciation:</b>				
As at January 1, 2023	2,624	6,983	249	9,856
Depreciation expenses	1,480	3,051	157	4,688
Adjustments for previous	4,104	10,034	406	14,544
As at December 31, 2023				
<b>Net book value</b>				
As of December 31, 2023	10,695	2,345	1,161	14,201
As of December 31, 2022	12,175	4,596	1,318	18,089



#### 4. Cash and cash equivalents

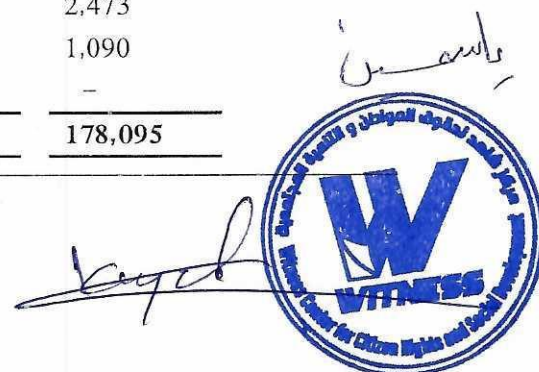
	2023	2022
	USD	USD
Cash on hand	4,004	542
Cash at The National Bank:		
Current account-ILS	-	13,084
Current account-USD	16,847	418
Current account- Euro	5	7,491
Cash deposits – against check books	250	250
	<u>17,103</u>	<u>21,243</u>
	<u>21,107</u>	<u>21,785</u>

#### 5. Accounts payable

	2023	2022
	USD	USD
Accounts payable – Employees	-	1,695
Accrued expenses – Audit fees	4,872	4,284
Income tax-Payroll deductions	445	112
	<u>5,317</u>	<u>6,091</u>

#### 6. Project revenues

	2023	2022
	USD	USD
Naseej-Oxfam	5,529	38,166
From the camp-IMS	43,799	36,419
Fact-Checking in elections (Qarib) – CFI	-	25,790
Reporting and fact checking-UNESCO	44,883	19,902
Kashif	-	1,489
Supporting marginalized areas and students- FONSA	9,237	18,988
Palestinian Creative Community Initiatives Fund – Roy	-	14,594
Studio Shahid-PSDF	3,000	12,000
Supreme Council for Youth and Sports	-	3,993
Promoting a culture of non-violence for youth-Pal	-	3,191
Youth leading peace – Erasmus+	4,197	2,473
Swiss Norwegian-Press House	-	1,090
Alternative approaches to financial SME-GIZ	21,465	-
	<u>132,110</u>	<u>178,095</u>



7. From the camp-IMS

	2023	2022
	USD	USD
Salaries	20,920	21,874
Video and audio production	5,135	6,483
Rent of the association's headquarters	3,600	2,936
Promotion via social media	1,059	1,060
Hospitality	101	491
Transportation	300	480
Dietary meals	254	476
Accommodation, food and hall rent	866	-
Cleaning and kitchen supplies	-	444
Electricity and water	-	386
Video story financing	-	338
Post, telegraph and telephone	-	325
Stationery and publications	104	240
Depreciation of property and equipment	60	8
Trainers' wages	540	-
Auditing fees	1,159	-
Loss or gain from currency exchange	128	-
	34,226	35,541

8. Naseej-Oxfam

	2023	2022
	USD	USD
Salaries	-	13,532
Trainers' wages and training fees	1,843	8,635
Wages of consultants and media professionals	372	3,340
transportation	952	2,480
Dietary meals	1,125	1,381
Hospitality	-	814
Office rent	-	727
Hall rent	-	572
Post, telegraph and telephone	-	239
Preparing safe spaces	-	212
Stationery and publications	1,024	-
Printing expenses	1,446	-
Banners and publications	174	-
Bank commissions and expenses	1	-
Accommodation, food and hall rent	2,885	-
Travel and accommodation	919	-
	10,742	31,932



## 9. Fact-Checking in elections (Qarib) – CFI

	2023	2022
	USD	USD
Fake news screening	-	6,834
Radio expenses	1,165	2,734
Facilitators' wages	-	2,676
Consultants' fees	343	-
Volunteer work	-	2,635
Trainers' wages	-	2,395
Social media funding	-	2,282
Video production	-	1,597
Workshop at the Carmel Hotel	-	880
Transportation	326	717
Dietary meals	-	692
Stationery and publications	-	267
Installation expenses	-	126
Hospitality	-	18
	<u>1,834</u>	<u>23,853</u>

## 10. Reporting and fact checking-UNESCO

	2023	2022
	USD	USD
Salaries	10,825	-
Trainers' wages	115	14,315
Fact check monitor	7,950	-
Graphic designer	809	-
Wages of consultants and media professionals	840	-
Hall fare	-	3,000
Production and preparation of materials	300	1,950
Transportation	2,622	1,310
Accounting software subscription	250	974
Site fees	1,500	-
Volunteer work	-	600
Promotion via social media	500	200
Travel and accommodation	1,220	-
Accommodation and rent of halls	10,141	-
Meetings, meetings and workshops	2,262	-
Stationery and publications	760	-
Hospitality	195	-
Cleaning expenses	727	-
Media coverage expenses	180	-
Electricity expenses	175	-
Post, telegraph and telephone	295	-
Incentives and rewards	2,547	-
Depreciation of property and equipment	157	-
Other expenses	4	-
	<u>44,374</u>	<u>22,349</u>

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**11. Supporting marginalized areas and students- FONSA**

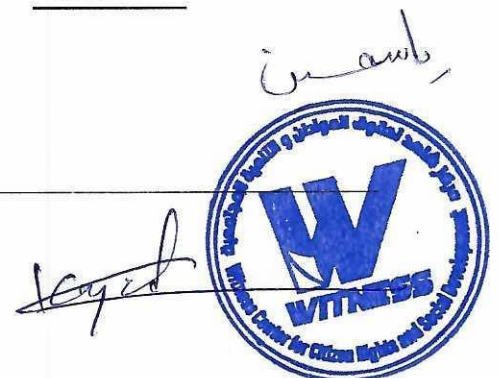
	2023	2022
	USD	USD
Supporting university students	11,848	7,645
Support farmers and trees	2,170	4,140
transportation	530	3,140
Video production	-	500
Hospitality	-	100
	<u>14,548</u>	<u>15,525</u>

**12. Studio Shahid-PSDF**

	2023	2022
	USD	USD
Installation expenses	-	3,600
Wages of consultants and media professionals	1,400	-
Office rent	-	1,250
Volunteer work	-	800
Construction expenses	-	750
Salaries	600	750
Trainers' wages	-	720
Hospitality	185	300
Stationery and publications	109	-
Fact check monitor	500	-
Content Creator	700	-
transportation	400	-
The price of the memory stick	134	-
Depreciation of equipment and property	270	153
	<u>4,298</u>	<u>8,323</u>

**13. Supreme Council for Youth and Sports**

	2023	2022
	USD	USD
Travel and accommodation	-	1,775
Office rent	-	1,000
Transportation	-	150
Volunteer work	-	500
Electronics expenses	-	590
	<u>-</u>	<u>4,015</u>



**14. Youth leading peace - Erasmus+**

	2023	2022
	USD	USD
Volunteer work	100	-
Workshops	1,000	-
Travel and accommodation fees	3,020	-
	<u>4,120</u>	<u>-</u>

**15. Alternative approaches to financial SME-GIZ**

	2023	2022
	USD	USD
Salaries	7,457	-
Financial materials development – desk review	1,188	-
	<u>8,645</u>	<u>-</u>

**16. General and administrative expenses**

	2023	2022
	USD	USD
Depreciation of property and equipment	4,201	4,200
Travel and accommodation	111	-
Bank commissions and expenses	428	640
Currency difference	142	2,574
	<u>4,882</u>	<u>7,414</u>

**17. Net assets at the beginning of the year**

	2023	2022
	USD	USD
Net assets – beginning of the year	26,272	(5,767)
Modifications:		
Postdated checks	-	4,095
Creditors and other credit balances	-	5,294
Administrative and general expenses	(4,041)	-
Total modifications	<u>(4,041)</u>	<u>9,389</u>
Net assets – beginning of the year	<u>22,231</u>	<u>3,622</u>

**18. Concentration of risk in geographic area**

Association is carrying out activities in Palestine. The political and economic situation in the area increases the risk of carrying out these activities and may adversely affect Association's performance.

